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DA 07-4323

Released: October 17, 2007

DOMESTIC SECTION 214 APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF INTEGRA TELECOM HOLDINGS, INC., ESCHELON TELECOM, INC., ELECTRIC LIGHTWAVE, LLC, AND OTHER SUBSIDIARIES OF INTEGRA TELECOM HOLDINGS, INC. TO SUBSIDIARIES OF WARBURG PINCUS & CO, BANC OF AMERICA CAPITAL INVESTORS V, L.P., AND BOSTON VENTURES LIMITED PARTNERSHIP V

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 07-206

Comments Due: October 31, 2007

Reply Comments Due: November 7, 2007

The following applications were filed pursuant to section 63.03 of the Commission's rules requesting authority to transfer control of Integra Telecom Holdings, Inc. (Integra Holdings), Eschelon Telecom, Inc. (Eschelon), Electric Lightwave, LLC (Electric Lightwave), and other subsidiaries of Integra Holdings (collectively Transferors), in connection with the recapitalization of Integra Telecom, Inc. (Integra Telecom), to Warburg Pincus Private Equity IX, L.P. (WP IX), Warburg Pincus Private Equity X, L.P. (WP X), Banc of America Capital Investors V, L.P. (BA V), and Boston Ventures Limited Partnership V (Boston Ventures) (collectively, Transferees, and, together with Transferors, Applicants).¹

All Applicants are U.S.-based. Integra Holdings is a wholly-owned subsidiary of Integra Telecom. Integra Holdings has operating subsidiaries holding competitive local exchange carrier (LEC) licenses to operate as facilities-based providers in several states and as an incumbent LEC in one state.² Electric Lightwave is a subsidiary of Integra Holdings offering competitive telecommunications services on a

¹ 47 C.F.R. § 63.03; see 47 U.S.C. § 214. Applicants also filed an application for transfer of control associated with authorizations for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed supplements to their domestic section 214 application on September 27, 2007 and October 15, 2007.

² Integra Telecom of Idaho, Inc., Integra Telecom of Minnesota, Inc., Integra Telecom of Nebraska, Inc., Integra Telecom of New Mexico, Inc., Integra Telecom of North Dakota, Inc., Integra Telecom of Oregon, Inc., Integra Telecom of South Dakota, Inc., Integra Telecom of Utah, Inc., Integra Telecom of Washington, Inc., and Integra Telecom of Wisconsin, Inc. (resale only) each provide service in the state bearing their name. However, presently Integra Holdings does not provide service in Nebraska, New Mexico, or South Dakota, and only provides service in Idaho through another Integra Holdings subsidiary, Electric Lightwave, LLC ("Electric Lightwave"). Scott-Rice Telephone Co., an incumbent LEC subsidiary of Integra Holdings, operates in Minnesota. Integra Telecom of Oregon, Inc. also provides long distance services in Montana.

nationwide basis. Eschelon is authorized to provide competitive telecommunications services in California, Idaho and New York; however, Eschelon presently only provides long distance resale service to one business customer in New York and fewer than 10 business customers in Idaho. Eschelon Operating Company (OPCO) is a wholly-owned subsidiary of Eschelon. OPCO has several direct, wholly-owned subsidiaries that provide competitive telecommunications services to small and medium sized businesses in several states.³

WP IX and WP X are indirect subsidiaries of Warburg Pincus & Co., a private equity firm. BA V is an affiliate of Banc of America Capital Investors, L.P., one of Integra Telecom's current investors. Boston Ventures is also a private equity firm and one of Integra Telecom's current investors.⁴ Boston Ventures Company V, L.L.C. (BV LLC) is the sole general partner of, and directly controls, Boston Ventures. BV LLC also holds a limited partnership interest in Boston Ventures which, aggregated with its general partner interest, is below 10 percent of the equity of Boston Ventures. BV LLC is in turn controlled in the aggregate by its four managing directors: Roy F. Coppedge, III and Barbara M. Ginader, both U.S. citizens, and Anthony J. Bolland and James M. Wilson, both citizens of the United Kingdom. Pursuant to the terms of the operating company for BV LLC, no single managing director controls BV LLC; rather, decisions of BV LLC require the consent of three of four of the managing directors. Thus, the managing directors of BV LLC in the aggregate control BV LLC and indirectly in the aggregate control Boston Ventures.

The proposed transaction involves the transfer of shares from existing shareholders to new investors and changes in designation rights with respect to the Board of Directors. Applicants state that the exact equity percentage of the new investors cannot be determined until such time as the existing shareholders have determined each shareholder's continued interest in Integra Telecom, the ultimate parent company of the certificated carriers. It is anticipated that WP IX and WP X will hold approximately 35-70 percent of the equity of Integra Telecom and have authority to appoint up to three, and perhaps as many as four, of the nine seats on the Board of Directors. Applicants expect that two of the existing major shareholders of Integra Telecom, Boston Ventures, with the right to appoint two

³ Advanced TelCom, Inc. provides telecommunications services in the states of California, Nevada, Oregon, and Washington. Oregon Telecom, Inc. provides telecommunications services in Oregon and Washington. Eschelon Telecom of Minnesota, Inc., Eschelon Telecom of Washington, Inc., Eschelon Telecom of Colorado, Inc., Eschelon of Nevada, Inc., Eschelon Telecom of Arizona, Inc., Eschelon Telecom of Utah, Inc., and Eschelon Telecom of Oregon, Inc. each provide telecommunications services in the state that bears their name. Mountain Telecommunications, Inc. provides telecommunications services in Arizona. OneEighty Communications, Inc. provides telecommunications services in Montana. United Communications, Inc. d/b/a UNICOM provides telecommunications services in Oregon and Washington.

⁴ Boston Ventures Limited Partnership VII, an affiliate of Boston Ventures, recently filed a separate domestic Section 214 application to acquire control of SJI, LLC, the parent company of Lafourche Telephone Company, LLC ("Latelco") and SJI Networks, LLC d/b/a Latelco Long Distance. Latelco is a rural incumbent LEC operating in Louisiana. See *Domestic Section 214 Application Filed for the Transfer of Control of SJI, LLC to Boston Ventures Limited Partnership VII*, WC Docket No. 07-202, Public Notice, DA 07- 3970 (rel. Sept. 19, 2007); *Notice of Removal of Domestic Section 214 Application from Streamlined Treatment*, WC Docket No. 07-202, Public Notice, DA 07-4209 (rel. Oct. 11, 2007) (removing application from streamlined treatment based on a request by the Department of Homeland Security, with the concurrence of the Department of Justice, including the Federal Bureau of Investigation, to defer grant of this application while they address potential national security, law enforcement, and public safety issues). Applicants state that the previously filed application has no bearing on this application's qualification for streamlined processing.

members of the Board of Directors, and BA V, with the with the right to appoint one director, are expected to be the other significant shareholders of Integra Telecom. Applicants anticipate that BA V will hold approximately 8 percent of the equity in Integra Telecom. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under sections 63.03(b)(1)(ii) and 63.03(b)(2)(i)-(ii) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁵

Domestic Section 214 Applications Filed for the Transfer of Control of Integra Telecom Holdings, Inc., Eschelon Telecom, Inc., Electric Lightwave, LLC and other subsidiaries of Integra Telecom Holdings, Inc., WC Docket No. 07-206 (filed Sept. 18, 2007 and Sept. 28, 2007).

GENERAL INFORMATION

The Wireline Competition Bureau finds, upon initial review, that the transfer of control identified herein is acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 C.F.R. § 63.03(a), interested parties may file comments **on or before October 31, 2007**, and reply comments **on or before November 7, 2007**. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.⁶ Comments must be filed electronically using (1) the Commission's Electronic Comment Filing System (ECFS) or (2) the Federal Government's eRulemaking Portal. *See* 47 C.F.R. § 63.03(a) ("All comments on streamlined applications shall be filed electronically . . ."); *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Comments may be filed electronically using the Internet by accessing the ECFS, <http://www.fcc.gov/cgb/ecfs/>, or the Federal eRulemaking Portal, <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form". A sample form and directions will be sent in response.

In addition, email one copy of each pleading to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: 202 / 488-5300; fax: 202 / 488-5563;

⁵ 47 C.F.R. §§ 63.03(b)(1)(ii), 63.03(b)(2)(i)-(ii).

⁶ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- 2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, tracey.wilson-parker@fcc.gov;
- 3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 4) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; telephone: 202 / 488-5300; fax: 202 / 488-5563; email: fcc@bcpiweb.com; url: www.bcpiweb.com.

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For further information, please contact Tracey Wilson-Parker at 202 / 418-1394 or Dennis Johnson at 202 / 418-0809.

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